

The Ohio Revised Code (Section 5703.05) states that “all powers, duties and functions of the Department of Taxation are vested in and shall be performed by the Tax Commissioner . . .” The Tax Commissioner is appointed by the Governor, is subject to confirmation by the Ohio Senate and serves at the pleasure of the Governor.

In general, the Tax Commissioner is responsible for the administration of most state-collected taxes and several locally-collected taxes, and exercises supervision over the real property tax. Responsibilities also involve several programs that distribute revenues to local governments, including:

- Motor fuel tax distributions;
- Local property tax relief reimbursements;
- Distributions of the Library and Local Government Support Fund, the Local Government Fund, the Local Government Revenue Assistance Fund; and
- Distributions of the Local Government Property Tax Replacement Fund.

The Tax Commissioner is empowered to make “all tax assessments, valuations, findings, determinations, computations and orders,” which the department is, by law, authorized and required to make, as well as to review or re-determine and to correct previous assessments, valuations or findings. The Tax Commissioner’s other principal responsibilities are:

- Promulgating rules and regulations and preparing and distributing tax returns and other reporting forms;
- Auditing returns, levying assessments and penalties, and granting or denying tax refunds; and
- Issuing, revoking or suspending certain licenses and permits.

In addition, the Tax Commissioner has certain specified duties. These are:

- Actual collections of individual income, horse racing, sales, corporation franchise, and excise taxes;
- Operating a central collection and reporting system for the municipal income taxes on electric companies and telephone companies; and
- Maintaining a continuous study of the practical operation of the taxation and revenue laws of the state, the probable revenue effect of possible changes in existing laws, and proposed measures providing for other forms of taxation.

To efficiently perform these numerous functions, the Tax Commissioner is authorized by law to create such divisions and sections of employees as are deemed proper. The organization chart accompanying this chapter indicates the structure of the department as of June 30, 2003. In addition to five Deputy Tax Commissioners, the department has a Chief Information Officer and a Chief Counsel. These executive staff members oversee various operating divisions, including:

- Sales and use

- Audit
- Operations and support
- Corporation franchise
- Personal income
- Personal property
- Public utility
- Taxpayer services
- Compliance
- Excise
- Tax equalization
- Estate

There are also administrative staff sections, including:

- Chief counsel
- Budget and fiscal
- Employee development and training
- Human resources
- Forms
- Enforcement
- Appeals management
- Revenue accounting
- Tax appeals
- Tax analysis
- Legislation
- Communications
- Information services
- Bankruptcy

The department has a Problem Resolution Officer on staff. This officer provides additional assurance to taxpayers that their rights are being protected. To further serve Ohio residents and those in other states that have a business or residential nexus with Ohio, Taxpayer Service Centers are located in eight major cities throughout Ohio.

At the close of Fiscal Year 2003 there were 1,234 permanent employees and 225 intermittent employees within the department. Expenditures of over \$107 million were made during the fiscal year to fulfill the department’s various functions and responsibilities, a savings of \$4 million over the previous fiscal year. Further detail on the number of employees and expenditures is shown in Tables 1 and 2.

The Department of Taxation also has an assessment role which consists of levying assessments against corporations and individuals which either file taxes incorrectly, fail to or do not pay the full amount of taxes due; or for holders of tangible and intangible personal property, the assessment process is used to determine taxable value of the property. For details on the additional revenue collected by these assessments, see the **Compliance Division** section of the **Support and Operating Divisions** chapter.

**Table 1
ODT Staff Structure & Number of Employees, Fiscal Year 2003**

Unit of Organization	Number of Employees June 30, 2003	Unit of Organization	Number of Employees June 30, 2003
Administrative Divisions		Personal Property Tax	
Tax Commissioner	14	Administration	6
Human Resources	12	Information Processing	5
Tax Analysis	8	Inter-County Central Audit	9
Employee Dev. & Training	6	District Support	2
Legislation	5	Citation	8
Communications	<u>5</u>	Public Utilities	<u>7</u>
Divisions Total	50	Division Total	37
Audit		Sales & Use Tax	
Administration	5	Administration	4
Processing & Support	18	Sales Tax	33
South-Central Region	50	Division Total	37
Northwest Region	88	Taxpayer Service Centers	
Northeast Region	87	Service Center Administration	3
New York	10	Akron	16
Chicago	10	Cincinnati	15
Los Angeles	<u>12</u>	Cleveland	23
Division Total	280	Columbus	18
Bankruptcy		Dayton	15
	6	Toledo	13
Budget & Fiscal		Youngstown	16
Budget & Fiscal	4	Zanesville	<u>6</u>
Budgeting/Accounts Payable	4	Division Total	125
Facilities Management	16	Processing Center	
Revenue Accounting	<u>8</u>	Administration	4
Division Total	32	Processing & Extraction	57
Enforcement		Accounting & Cashiers	16
	25	Data Entry	59
Estate Tax		Files	23
	14	Mail Room	<u>7</u>
Excise & Motor Fuel Tax		Division Total	166
Administration	4	Tax Equalization	
Fuel Use	28	Administration	16
Motor Fuel	12	Data Collection	6
Excise Tax	<u>4</u>	Computer Stat. Analysis	<u>4</u>
Division Total	48	Division Total	26
Forms Purchasing		Taxpayer Services/Compliance	
	6	Compliance	
Income & Corporation Franchise Tax		Administration	5
Administration	14	Billings	20
Income Tax Audit	66	Assessments	26
School District Income Tax	<u>10</u>	Division Total	51
Division Total	90	Taxpayer Services	
Information Services		Administration	3
Administration	17	Taxpayer Assistance	<u>33</u>
Application/Development	43	Division Total	36
Operations/Production	11	Total Permanent Employees	
Technical Services	41		1234
Info. Technical Planning	13	Intermittent Employees in Pay Status	
Admin./Customer Service	22		225
Integrated Business Tax	<u>2</u>	Total Employees in Pay Status	
Division Total	149		1459
Chief Counsel			
	27		

Table 2
Expenditures of the Ohio
Department of Taxation by
Division, Fiscal Year 2003

Division	Personal Service and Purchased Personal Service	Maintenance and Equipment	Total
Administrative Divisions	\$4,282,786	\$599,218	\$4,882,004
Audit	18,237,757	1,306,398	19,544,155
Budget & Fiscal	2,125,686	2,134,573	4,260,259
Chief Counsel	2,888,986	137,413	3,026,399
Enforcement	1,516,113	176,862	1,692,975
Estate Tax	1,002,178	36,335	1,038,513
Excise & Motor Fuel Tax	2,914,359	391,796	3,306,155
Forms Purchasing	345,751	2,346,208	2,691,959
Income & Corporation Franchise Tax	5,217,636	140,323	5,357,959
Information Services	16,223,812	5,444,788	21,668,600
Personal Property Tax	1,950,313	68,543	2,018,856
Processing Center	11,150,869	4,217,947	15,368,816
Public Utility Tax	555,218	17,888	573,106
Sales & Use Tax	2,433,523	383,951	2,817,474
Service Centers	8,139,200	852,213	8,991,413
Tax Equalization	1,595,857	66,468	1,662,325
Taxpayer Services/Compliance	\$7,323,954	\$785,828	\$8,109,782
Total	\$87,903,997	\$19,106,752	\$107,010,749

